

*As Engrossed: 2/5/93 3/11/93*

1 **State of Arkansas**

2 **79th General Assembly**

3 **Regular Session, 1993**

4 **By: Representatives M. Wilson, Blair, Mullenix, McJunkin, and Watts**

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## **For An Act To Be Entitled**

8 "AN ACT TO ESTABLISH THE ARKANSAS POLICE OFFICERS DEFERRED

9 OPTION PLAN; AND FOR OTHER PURPOSES."

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### **Subtitle**

12 "AN ACT TO ESTABLISH THE ARKANSAS POLICE OFFICERS DEFERRED

13 OPTION PLAN."

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15 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

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17 SECTION 1. Deferred retirement option plan.

18 (a) In lieu of terminating employment and accepting a service  
19 retirement pension pursuant to Arkansas Code Annotated §§24-11-401 et seq.,  
20 any police officer who is a member of a policemen\_s pension and relief fund  
21 who has not less than twenty (20) years of credited service and who is  
22 eligible to receive a service retirement pension may elect to participate in  
23 the Arkansas Police Officers Deferred Option Plan and defer the receipts of  
24 benefits in accordance with the provisions of this act, *provided the local*  
25 *policeman's pension and relief fund board of trustees approves the*  
26 *participation in the plan.*

27 (b) For purposes of this act, credited service shall include service  
28 credit recognized pursuant to Arkansas Code Annotated §§24-11-401 et seq.

29 (c) The duration of participation in the Arkansas Police Officers  
30 Deferred Option Plan for active police officers shall not exceed five (5)  
31 years. At the conclusion of a member\_s participation in the Arkansas Police  
32 Officers Deferred Option Plan, the member shall terminate employment with all  
33 participating municipalities as a police officer, and shall start receiving  
34 the member\_s accrued monthly retirement benefit from the policemen\_s pension  
35 and relief fund.

1 (d) When a member begins participation in the Arkansas Police Officers  
2 Deferred Option Plan, the contribution of the police officer and the employer  
3 contribution shall continue to be paid. Municipal *matching* contributions for  
4 employees who elect the Arkansas Police Officers Deferred Option Plan shall be  
5 credited equally to the policemen\_s pension and relief fund and to the  
6 Arkansas Police Officers Deferred Option Plan. The monthly retirement  
7 benefits that would have been payable had the member elected to cease  
8 employment and receive a service retirement shall be paid into the Arkansas  
9 Police Officers Deferred Option Plan Account.

10 (e) (1) *The member's monthly retirement benefit shall not change, unless*  
11 *the plan receives a benefit increase.*

12 (2) A member who participates in this plan shall earn interest at  
13 a rate of two percentage points below the rate of return of the investment  
14 portfolio of the policemen\_s pension and relief fund, but no less than the  
15 actuarial assumed interest rate as certified by the actuary. The interest  
16 shall be credited to the individual account balance of the member on an annual  
17 basis.

18 (f) A participant in the plan shall receive at the option of the  
19 participant, a lump sum payment from the account equal to the payments to the  
20 account, or a true annuity based upon the account of the participant or may  
21 elect any other method of payment if approved by the board of trustees.

22 (g) If the participant dies during the period of participation in the  
23 plan, a lump sum payment equal to the account balance of the participant shall  
24 be paid.

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26 SECTION 2. All provisions of this act of a general and permanent nature  
27 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code  
28 Revision Commission shall incorporate the same in the Code.

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30 SECTION 3. If any provision of this act or the application thereof to  
31 any person or circumstance is held invalid, such invalidity shall not affect  
32 other provisions or applications of the act which can be given effect without  
33 the invalid provision or application, and to this end the provisions of this  
34 act are declared to be severable.

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1 SECTION 4. All laws and parts of laws in conflict with this act are  
2 hereby repealed.

3 /s/Mike Wilson, et al  
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**HB 1328**

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